Using an Alternative Relicensing Process:

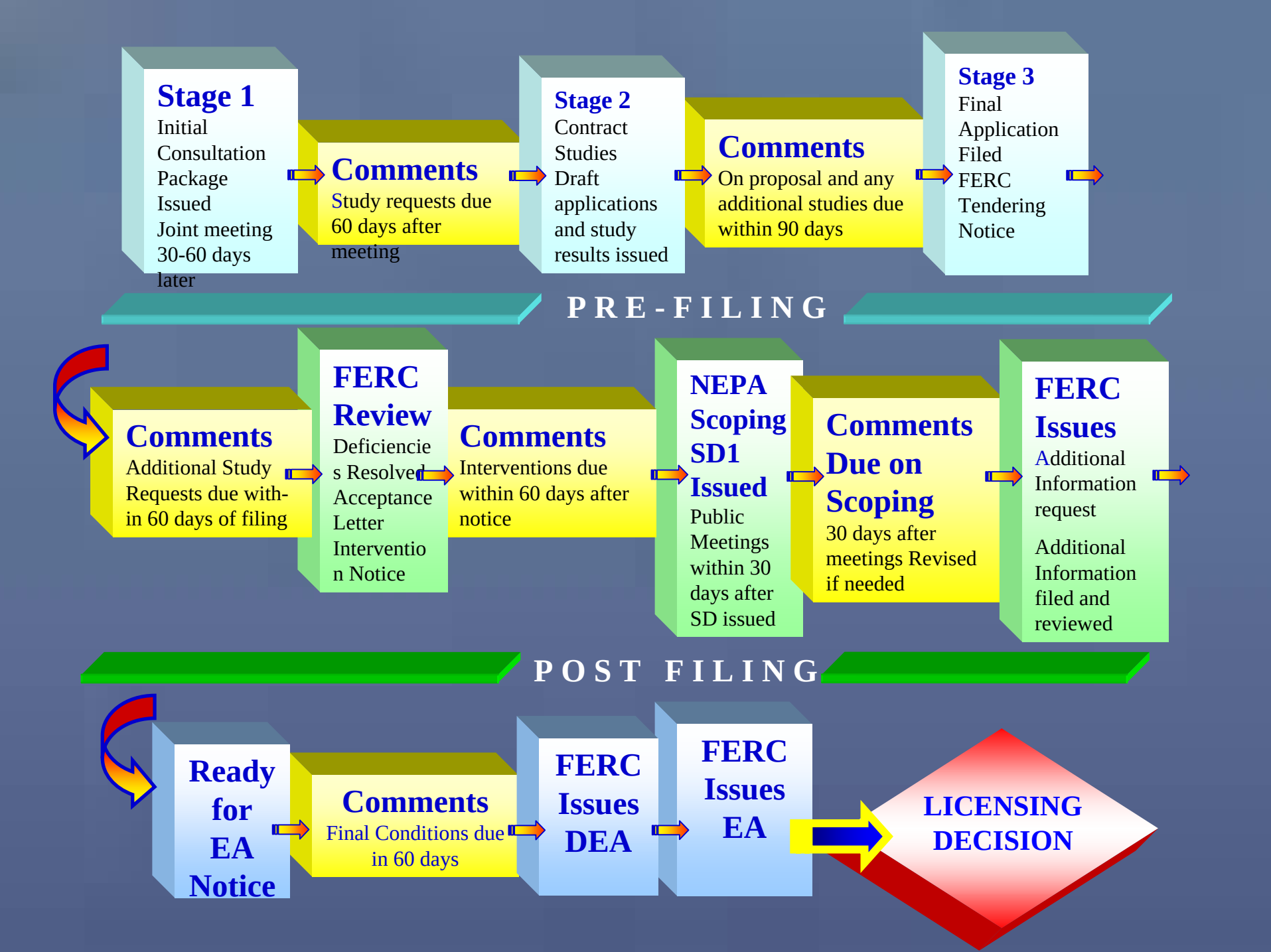
The New York Power Authority's Experience

Questions:

1. What is the standard relicensing process in the U.S. and what is the ALP (Alternative Licensing Process) ?
2. How did we convince FERC to agree to an ALP?
3. Why did we pursue a non-standard course in relicensing St. Lawrence and Niagara?
4. What did NYPA learn about using ALP at St. Lawrence that was changed as we now proceed at Niagara?
5. What went right, what went wrong, would we follow the ALP again, what would we do differently?
6. Why would other hydro utilities (In the U.S., Canada and other countries) want to use an ALP?

The Traditional Relicensing Process

- Consists of a 3 ½ year consultation/study process conducted by the owner of the project
- Followed by a 2- to 7-year environmental review process conducted by the Federal Energy Regulatory Commission (FERC)
- As part of the environmental review phase, FERC produces an Environmental Assessment and if warranted an Environmental Impact Statement (EIS) depending on the significance of the project impacts
- In the past, these two phases of the process were conducted independently of each other


Stage 1
Initial Consultation Package Issued
Joint meeting 30-60 days later
Comments
Study requests due 60 days after meeting
Stage 2
Contract Studies
Draft applications and study results issued
Comments
On proposal and any additional studies due within 90 days
Stage 3
Final Application Filed
FERC Tendering Notice
PRE-FILING
Comments
Additional Study Requests due with-in 60 days of filing
FERC Review
Deficiencies Resolved
Acceptance Letter
Intervention Notice
Comments
Interventions due within 60 days after notice
NEPA Scoping SD1 Issued
Public Meetings within 30 days after SD issued
Comments Due on Scoping
30 days after meetings Revised if needed
FERC Issues
Additional Information request
Additional Information filed and reviewed
POST FILING
Ready for EA Notice
Comments
Final Conditions due in 60 days
FERC Issues DEA
FERC Issues EA
LICENSING DECISION

The Alternative Relicensing Process

On October 29, 1997, FERC issued new regulations that allow both phases (consultation and environmental review) to be done at the same time. This new method, the Alternative Relicensing Process, differs from the traditional process in several ways:

1. **Combines into a single process the consultation process and the environmental review process.**
2. **Allows for an applicant prepared preliminary draft Environmental Assessment.**

The Alternative Relicensing Process

3. **Promotes cooperative efforts by the applicant and interested parties early in the relicensing process and encourages them to share information about resource impacts and mitigation and enhancement proposals. This includes reaching agreement or settlements of the issues.**

4. **Facilitates greater participation by and improved communication among the applicant, resource agencies, Indian tribes, the public and FERC staff in a flexible consultation process.**

5. **Enhances communication efforts with FERC and all interested parties, including settlements when possible, early in the relicensing process.**

Alternative Relicensing Process Advantages

- Local, state and regional ownership in decisions
- All stakeholders involved in the process early on
- Reduces possibility of unnecessary studies and need for additional information requests
- Reduces the license processing phase to approximately one year by allowing the draft environmental assessment to be produced by the applicant during the pre-filing consultation process

Alternative Relicensing Process Advantages

- **Shorter processing means less potential for data to become outdated**
- **FERC review and acceptance application completed sooner**
- **FERC staff better informed and attuned to local positions**
- **Environmental measures implemented sooner**

The New York Power Authority Experience

How did NYPA convince FERC to agree to an ALP?

- FERC received many complaints about traditional process
- FERC was encouraging “experiments”
- New York State Department of Environmental Conservation was at odds with FERC
- NYPA had a unique proposal

The New York Power Authority Experience

Why did NYPA pursue a non-standard course in relicensing St. Lawrence and Niagara?

- Experience of Niagara Mohawk and other licensees in relicensing
- Suggestion of New York Rivers United
- Concern about US Fish and Wildlife Service
- Leadership of NYPA

The New York Power Authority Experience

What did NYPA learn about using ALP at St. Lawrence that was changed as we now proceed at Niagara?

- Applicant Prepared Environmental Assessment versus Third Party EIS
- Agreed to Studies that would not be required by FERC but requested by Stakeholders
- Niagara was fundamentally different than St. Lawrence

The New York Power Authority Experience

What went right, what went wrong, would we follow the ALP again, what would we do differently?

- Settlement Negotiations Stalled
- Credibility Suffered and Negative Press
- Ultimately Achieved Comprehensive Settlement with All Major Parties but Mohawks and an OSA customer
- Received a 500-year FERC License on Time
- Significantly Improved Community Relations in North Country

The New York Power Authority Experience

Why would other hydro utilities (in U.S., Canada and other countries) want to use an ALP??